



Office of Temporary and Disability Assistance

ANDREW M. CUOMO
Governor

SAMUEL D. ROBERTS
Commissioner

BARBARA C. GUINN
Executive Deputy Commissioner

Informational Letter

Section 1

Transmittal:	18-INF-14
To:	Social Services District Commissioners
Issuing Division/Office:	Audit and Quality Improvement
Date:	August 23, 2018
Subject:	Cost Avoidance (CA) Calculations for Program Integrity Initiatives
Suggested Distribution:	Fraud Directors Front End Detection System (FEDS) Coordinators Temporary Assistance (TA) Directors Supplemental Nutrition Assistance Program (SNAP) Directors Staff Development Coordinators Fair Hearings Staff
Contact Person(s):	Robert Antonacci, Program Integrity (518) 473-9507 Robert.Antonacci@otda.ny.gov
Attachments:	Attachment 1 - Cost Avoidance Calculation Chart
Attachment Available Online:	<input checked="" type="checkbox"/>

Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
06 INF-16 08 INF-13 14 INF-09 14 INF-09T	11 INF-05				

Section 2

I. Purpose

The purpose of this Informational Letter (INF) is to update the cost avoidance figures promulgated in 14-INF-09-T “Cost Avoidance Calculations for Program Integrity Initiatives”.

The accompanying attachment provides the revised cost avoidance figures for case actions taken as the result of an OTDA/Program Integrity initiative on or after April 01, 2018.

II. Background

Local Social Services Districts (districts) are tasked with determining the eligibility of every applicant. They are also required to reexamine recipient eligibility based on new, verified information or a change in household circumstances. District eligibility and investigative staff shoulder the tremendous burden of ensuring the people who need these benefits receive them, while safeguarding local/State/federal resources from those who are not eligible.

OTDA/Program Integrity (PI) has developed numerous initiatives to support districts in this endeavor. These initiatives include:

- Automated Finger Imaging System (AFIS)
- Electronic Benefit Transfer (EBT) Out-of-State TA Match Assistance
- Front End Detection System (FEDS)/Eligibility Verification Review (EVR)
- Intentional Program Violation (IPV)
- National Directory of New Hires (NDNH)/Verified Employment Data (VED) Match
- Prison Match (Federal & State)
- Public Assistance Reporting Information System (PARIS) Match

To assess the value of these initiatives, OTDA employs a formula based on the outcomes of districts' investigations. Cost avoidance is generated when a district denies an application, closes a case, or reduces a grant based on these PI initiatives. The cost avoidance formula is ultimately an estimate of what a case *would have cost* local/State/federal governments if the issue had not been addressed.

Cost Avoidance figures are based on statewide data. Districts may opt to use these figures or develop their own amounts.

III. Program Implications

The accompanying attachment contains estimated cost avoidance figures for each of the PI initiatives. The values are arranged by initiative, outcome (denied or closed and grant reduction-when applicable), and case assistance type.

A grant reduction is when the investigation determines that the applicant or recipient is still eligible for assistance, but at a lower amount than if the investigation had not occurred.

Cost avoidance amounts are calculated using the monthly benefit amount (based on statewide data) multiplied by a designated timeframe, known as the cost avoidance period. Monthly benefit amounts include a value for Temporary Assistance (TA), Supplemental Nutrition Assistance Program (SNAP) and Medical Assistance (MA). The only exception is for Non-Temporary Assistance SNAP (NTA-SNAP) applications or cases, which reflect only SNAP benefits.

The cost avoidance period for PI initiatives is either six (6) or twelve (12) months, with the exception of IPV-related cost avoidance. For IPV, the cost avoidance period must be based on the length of the IPV, itself dependent on the nature of the program violation and existence of previous disqualifications.

A. Automated Finger Imaging System (AFIS)

AFIS identifies duplicate applicants and recipients statewide through finger images. A cost avoidance savings is calculated in two situations:

1. An applicant or recipient attempts to obtain duplicate benefits, the AFIS system automatically notifies the district, and the district prevents the case from opening or continuing; or
2. The district denies benefits to an applicant or a recipient because they have failed to comply with finger imaging requirements.

See Attachment I, Section 1 for the monthly cost avoidance amounts for AFIS. This monthly amount is multiplied by 12 months to determine the total cost avoidance for the action taken.

B. Electronic Benefit Transfer (EBT) Out-of-State TA Match

The EBT Out-of-State Match identifies TA recipients who are consistently transacting their benefits outside of New York State. A cost avoidance savings is calculated when districts close a case identified by this match.

See Attachment I, Section 2 for the monthly cost avoidance amount for this match. This monthly amount is multiplied by 12 months to determine the total cost avoidance for the action taken.

C. Front End Detection System (FEDS)/Eligibility Verification Review (EVR)

FEDS is State mandated for TA applications. This includes Family Assistance (FA) and Safety Net Assistance (SNA) applicants. Districts have the option to include NTA-SNAP in their FEDS' plan, as well.

FEDS occurs at application and is based on specific criteria, known as indicators. Eligibility workers refer an application for FEDS investigation when the applicant cannot satisfactorily explain or support the relevant indicator(s). An example of such an indicator is "**Supported by loans or gifts from family or friends.**" A cost avoidance savings is calculated when the investigation results in either an application denial or a grant reduction.

EVR is an optional initiative. It is based on pre-identified populations such as "**TA recipients sanctioned due to failure to comply with work rules,**" and can occur at application, undercare, or recertification. A cost avoidance savings is calculated when the investigation results in either an application denial or a grant reduction.

See Attachment I, Section 3 for the monthly cost avoidance amount for both FEDS and EVR. This monthly amount is multiplied by 6 months to determine the total cost avoidance for the action taken.

Please Note: OTDA no longer collects FEDS/EVR data for Child Care or Medical Assistance-Only cases. Please contact the Office of Children and Family Services' (OCFS) Bureau of Child Care or your Department of Health (DOH) Medical Assistance Program Representative for data related to these programs.

D. Intentional Program Violations (IPVs)

Applications and cases must be investigated for a variety of reasons. Investigative units may receive referrals resulting from the FEDS process, anonymous tips, etc. If the investigation indicates that the applicant or recipient willfully attempted to defraud the assistance program(s), an Intentional Program Violation (IPV) is pursued. A cost avoidance savings is calculated when the IPV is proven and the individual is prohibited from receiving assistance for a specified amount of time.

See Attachment I, Section 4 for the monthly cost avoidance amount for a successful IPV. This amount is then multiplied by the number of months of the sanction period:

- The length of an FA or SNA IPV will be either 6, 12, 18 or 60 months
- The length of a SNAP IPV will be either 12, 24 or 60* months

* The maximum cost avoidance period used for SNAP IPV is 60 months. For ten-year and permanent SNAP IPVs, the monthly cost avoidance amount is multiplied by the cost avoidance period of 60 months.

E. National Directory of New Hires (NDNH)/Verified Employment Data (VED) Match

The NDNH Match identifies TA and SNAP recipients who have potentially secured a job. After confirming said employment, OTDA notifies eligibility workers of this verified income through the NDNH/VED resource contained in the Welfare Management System's (WMS) Resource File Integration Subsystem (RFI). The eligibility worker must review the provided data to determine if the NDNH income has been budgeted properly in the case. A cost avoidance savings is calculated when the eligibility worker determines that the income had not been budgeted properly, adds it to the budget and closes the case if the recipient is now ineligible due to excess income.

See Attachment I, Section 5 for the monthly cost avoidance amount for NDNH case actions. This monthly amount is multiplied by 6 months to determine the total cost avoidance for the action taken.

F. Prison Match (Federal & State)

The Prison Match identifies recipients who are incarcerated and are, therefore, ineligible for benefits because their needs are being met. It does not include individuals who will be released in less than 30 days or those previously investigated for incarceration and found to be eligible for benefits. A cost avoidance savings is calculated when the district prohibits that individual from receiving assistance due to their incarceration.

See Attachment I, Section 6 for the monthly cost avoidance amount for this match. This monthly amount is multiplied by 12 months to determine the total cost avoidance for the action taken.

G. Public Assistance Recipient Information System (PARIS) Match

The PARIS Interstate Match identifies recipients who are actively receiving assistance in other states. Cost avoidance savings is calculated when the district either removes the active individual from a multiple person case or closes a single person case.

See Attachment I, Sections 7A and 7B for the monthly cost avoidance amounts for this match. These amounts must be multiplied by 12 months to determine the total cost avoidance for the action taken. Section 7A contains amounts for a multi-person case closing, while Section 7B contains amounts for a single person case closing.

Issued By

Name: Kevin Kehmna

Title: Director

Division/Office: Audit and Quality Improvement